

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER  
OF USE AND PLACE OF USE OF THE PUBLIC WATERS  
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

SEP 06 2016

Date of filing in State Engineer's Office

Returned to applicant for correction

Corrected application filed

Map filed Nov. 12, 1996 Under 62582

The applicant Klondex Midas Operations Inc.2720 Ruby Vista Drive, Suite 102of Elko

Street Address or PO Box

City or Town

Nevada 89801

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion☐ Place of use☐ Manner of use☐ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 76228 ( Valley Well)

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1. The source of water is Underground (Decline Portal)

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.150 CFS, 80.00 AFA

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Unchanged

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining and Milling

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

Within the NW¼ NW¼ Section 27, T39N, R46E, M.D.M. or at a point from which the northwest corner of said Section 27 bears N 08°43'00" W a distance of 1144.46 feet. Refer to map filed under Permit 62582 for proposed Point of Diversion.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

Within the NE¼ NE¼ Section 03, T38N, R46E, M.D.M. or at a point from which the northeast corner of said Section 03 bears N 33°55'28" E a distance of 670 feet. Refer to map filed under Permit 68206 for existing Point of Diversion.

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7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

Unchanged

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

Sections 3, 4, 9, 10, 15, 16, 21, 22, 27, 28, 33, and 34, T39N, R46E, M.D.M. Refer to map filed under Permit 75666 for existing Place of Use.

9. Proposed use will be from January 1 to December 31 of each year.  
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.  
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Point of Diversion will be the Decline Portal. Water will be pumped from underground sumps to the Decline Portal and gravity fed to the tailings and milling circuit for gold and silver recovery or treated and discharged back to the Basin.

12. Estimated cost of works \$50,000

13. Estimated time required to construct works Completed as described above

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Five Years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

Water to be used for mining operations 24 hours per day, 365 days per year. Estimated 1,800 tons of ore to be process per day. The amount of water to process one ton of ore is approximately 240 gallons. Water will be pumped through the Midas Mill and used in the beneficiation process, at a rate of 432,000 gallons per day. Water is used in the carbon column process circuit and as make-up water for the pre-leach and Counter Current Decantation processes of the Mill. Water in excess of beneficial use will be dewatering and may be evaporated, treated and discharged back to the Basin, or continually recycled through the carbon column process at the Mill.

16. Miscellaneous remarks:

Meter installed at proposed Point of Diversion is a McCrometer flow meter, Serial # 15-16562-06. Refer to Map filed under Permit 62582 for proposed Point of Diversion.

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E-mail Address

775.738.6070

Phone No.

Ext.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Heather Tate

Type or print name clearly

Heather Tate

Signature, applicant or agent

Klondex Midas Operations Inc.

Company Name

2720 Ruby Vista Drive, Suite 102

Street Address or PO Box

Elko, Nevada 89801

City, State, ZIP Code

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